

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,  
  
Debtors.

Bankruptcy Case No. 22-10964 (MG)

CELSIUS NETWORK LIMITED and  
CELSIUS KEYFI LLC,  
  
Plaintiffs,

Adversary Proceeding  
No. 22-01139 (MG)

v.

JASON STONE and KEYFI INC.,  
  
Defendants.

**SUPPLEMENTAL DECLARATION OF MITCHELL P. HURLEY IN FURTHER  
SUPPORT OF CELSIUS' MOTION FOR A PRELIMINARY INJUNCTION**

I, Mitchell P. Hurley, Esq., declare under penalty of perjury:

1. I am a partner with the law firm of Akin Gump Strauss Hauer & Feld LLP, special litigation counsel for Plaintiffs Celsius Network Limited and Celsius KeyFi LLC (together, "Plaintiffs" or "Celsius") in the above-captioned adversary proceeding (the "Adversary Proceeding").<sup>1</sup> I am admitted to practice before this Court.

2. I submit this supplemental declaration (the "Supplemental Declaration") pursuant to Rule 9077-1(a) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York in support of Celsius' Motion for a Preliminary Injunction pursuant

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<sup>1</sup> Capitalized terms used but defined herein have the meaning given them in the Plaintiffs Motion for Preliminary Injunction [No. 22-01139-mg, ECF No. 21] (the "Motion").

to Federal Rule of Bankruptcy Procedure 7065 and Federal Rule of Civil Procedure 65 (the “Motion”) filed on November 14, 2022 [ECF No. 20]. Except as otherwise indicated, all facts set forth herein are based on my personal knowledge and documents and information available to me as special litigation counsel to Celsius. No previous application for similar relief has been made.

3. In their November 28, 2022 opposition papers, Defendants represent that “[t]he only relief requested in the Motion that Defendants oppose” is Celsius’ request for an injunction restraining Defendants from transferring the “Property.” On December 2, 2022, I sent Defendants a letter and proposed Stipulation and Order providing for all of the relief sought by the Motion, other than the request for an injunction of transfers of Property, which is reserved for decision by the Court. Attached hereto as **Exhibit 1** is a true and correct copy of the letter sent to Defendants’ counsel on December 2, 2022, including the proposed Joint Stipulation and Agreed Order Between Plaintiffs Celsius Network Limited and Celsius KeyFi LLC and Defendants Jason Stone and KeyFi Inc. Regarding a Voluntary Injunction of Defendants sent to Defendants on December 2, 2022. As of December 5, 2022, Defendants have not responded to Plaintiffs’ December 2, 2022 letter.

4. After Celsius demanded return of all assets in March 2021, counsel for the Parties began exchanging emails and letters related to Defendants’ misconduct. Defendants initially were represented by Kaiser Saurborn & Mair (“Kaiser Saurborn”), which firm apparently later quit or was fired by Defendants. Kaiser Saurborn was replaced by Quinn Emmanuel Urquhart & Sullivan, LLP (“Quinn Emmanuel”). After Quinn Emmanuel apparently quit or was fired, Defendants hired Mr. Roche’s former firm, then known as Roche Freedman. Plaintiffs worked diligently with each of Defendants’ counsel to try to recover Celsius’ property, but each time Defendants hired new counsel.

5. Roche Freedman contacted me for the first time by email dated September 1, 2021. In that email, Defendants requested the parties execute a standstill and tolling agreement. Attached hereto as **Exhibit 2** is a true and correct copy of the Standstill and Tolling Agreement signed by the parties on October 27, 2021 (the “Standstill Agreement”).

6. Beginning shortly after the parties entered the Standstill Agreement, the parties engaged in a lengthy, confidential mediation. During this time, the parties worked in good faith to resolve the issues in this case. The Standstill Agreement was repeatedly renewed and extended and did not finally expire until June 24, 2022, just weeks before Celsius’ bankruptcy filing.

*[Remainder of Page Intentionally Left Blank]*

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct.

Dated: December 5, 2022

  
Mitchell P. Hurley